Cambridge Assessment International Education

Cambridge O Level

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

2575686119

BUSINESS STUDIES **7115/11**

Paper 1 Short Answer and Data Response **May/June 2023**

1 hour 30 minutes

You must answer on the question paper.

No additional materials are needed.

INSTRUCTIONS

- Answer **all** questions.
- Use a black or dark blue pen. You may use an HB pencil for any diagrams or graphs.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen or correction fluid.
- Do **not** write on any bar codes.
- You may use a calculator.

INFORMATION

- The total mark for this paper is 80.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **12** pages. Any blank pages are indicated.

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[Turn over

1 WLT manufactures carpets. It exports 40% of its products. Globalisation has created opportunities and threats for WLT. Its method of production allows WLT to use specialisation. All of its 60 employees understand that quality assurance is important. WLT's directors are considering the best way to increase efficiency.

(a) Define 'specialisation'.

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..... [2]

(b) Identify **two** methods of production.

Method 1: .....

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Method 2: .....

..... [2]

(c) Outline **two** advantages to WLT of using quality assurance.

Advantage 1: .....

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Advantage 2: .....

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(d) Explain **one** opportunity and **one** threat of globalisation for WLT.

Opportunity: .....

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Explanation: .....

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Threat: .....

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Explanation: .....

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..... [6]

(e) Do you think improving labour skills is the best way for a manufacturing business to increase efficiency? Justify your answer.

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2 LMA is a family-owned restaurant. The business was started 20 years ago and has remained small. LMA is a partnership. The partners are considering whether LMA should become a private limited company. The Finance Manager is analysing LMA's cash-flow forecast. An extract is shown in Table 2.1.

Table 2.1

Extract from LMA's cash-flow forecast 2023 ($000)			
	July	**August**	**September**
Cash inflow	420	300	330
Cash outflow	410	320	360
Net cash flow	**X**	(20)	(30)
Opening balance	60	70	50
Closing balance	70	50	**Y**

(a) Identify **two** reasons why a business might have cash-flow problems.

Reason 1: .....

.....

Reason 2: .....

..... [2]

(b) Calculate **X** and **Y**.

X: .....

Y: ..... [2]

(c) Identify **four** examples of a cash inflow.

Example 1: .....

.....

Example 2: .....

.....

Example 3: .....

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Example 4: .....

..... [4]

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(d) Explain **one** advantage and **one** disadvantage to LMA of becoming a private limited company.

Advantage: .....

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Explanation: .....

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Disadvantage: .....

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Explanation: .....

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(e) Explain **two** reasons why a business might remain small. Which reason is likely to be most important? Justify your answer.

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3 DZD is a large parcel delivery business. Many of its employees work part-time. DZD's directors are planning to expand the business and have to decide on a suitable source of finance for 20 new vehicles. DZD will also recruit 60 new employees. The Human Resources Director is preparing a job description for the new employees. She is considering using Maslow's hierarchy of needs to increase the motivation of DZD's employees.

(a) Define 'job description'.

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..... [2]

(b) Identify **two** levels from Maslow's hierarchy of needs.

1: .....

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2: .....

..... [2]

(c) Outline **two** factors DZD should consider when deciding which applicants to recruit.

Factor 1: .....

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Factor 2: .....

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..... [4]

(d) Explain **two** sources of finance DZD might use for the new vehicles.

Source of finance 1: .....

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Explanation: .....

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Source of finance 2: .....

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Explanation: .....

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(e) Do you think a service business should only employ part-time workers? Justify your answer.

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4 NLR manufactures a range of branded skincare products including hand cream. Packaging of the products is important. Like many businesses, NLR makes use of market segmentation. The Marketing Director knows the stage of the product life cycle can influence NLR's pricing decisions. He is analysing market research data. This shows 85% of consumers expect businesses to respond to environmental pressures.

(a) Identify **two** factors that might affect the accuracy of market research.

Factor 1: .....

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Factor 2: .....

..... [2]

(b) Identify **two** benefits to a business of using market segmentation.

Benefit 1: .....

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Benefit 2: .....

..... [2]

(c) Outline **two** ways NLR might respond to environmental pressures.

Way 1: .....

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Way 2: .....

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..... [4]

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(d) Explain how NLR's pricing decisions might be affected at **two** different stages of the product life cycle.

1: .....

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Explanation: .....

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2: .....

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Explanation: .....

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(e) Do you think promoting the brand image is the most important role of packaging? Justify your answer.

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